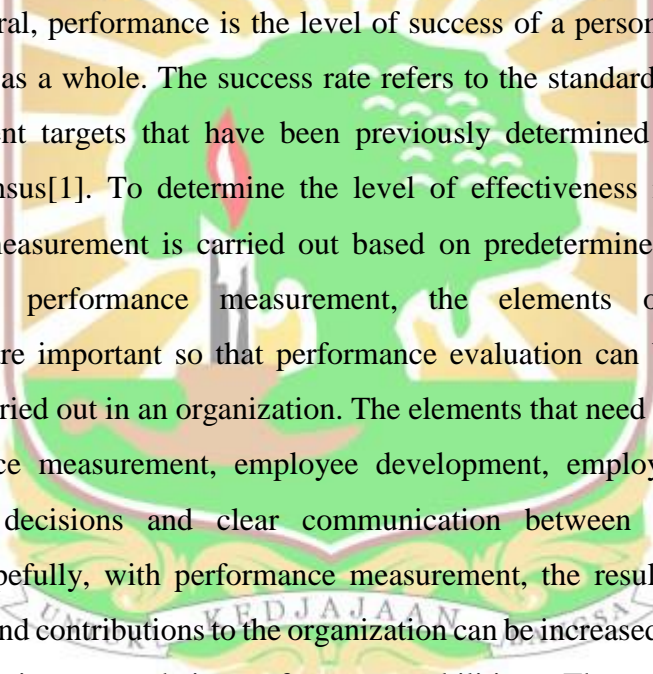


# CHAPTER I

## INTRODUCTION

Chapter I contains the introduction which consists of background, the objectives to be achieved, the limitations of problems in practice, and systematics for writing.

### 1.1 Background



In general, performance is the level of success of a person in carrying out the task or job as a whole. The success rate refers to the standard of work results and achievement targets that have been previously determined and have been through consensus[1]. To determine the level of effectiveness in performance, performance measurement is carried out based on predetermined standards and criteria[2]. In performance measurement, the elements of performance measurement are important so that performance evaluation can be properly and collectively carried out in an organization. The elements that need to be considered are performance measurement, employee development, employee satisfaction, compensation decisions and clear communication between employees and leaders[3]. Hopefully, with performance measurement, the results of individual achievements and contributions to the organization can be increased and individuals can learn to improve their performance abilities. Through performance measurement, the company can find out whether the actions taken so far have reflected the goals to be achieved[4].

In an effort to observe the problems experienced after the implementation of performance management, a measurement is carried out. In general, performance measurement aims to evaluate existing performance and analyze what factors affect performance improvement and reduce inhibiting factors. As the best effort in evaluating performance, a better technique than existing performance measurement techniques is used, namely performance prism as a framework. This framework

provides an advantage in measurement because it involves all stakeholders from the organization. In principle, this method is carried out in two directions, namely the consideration of the needs and desires of all stakeholders, as well as the contributions that stakeholders make to the organization. Eventually, the reciprocal relationship between each stakeholder is the main point.[5].

In the decision making process, problems are often hampered by a wide variety of criteria. Decision makers often have difficulty determining which ones should be prioritized in making decisions. To overcome these problems, a framework can be used to make decisions effectively. One of the most widely used frameworks to date is the Technique for Order Preference by Similarity to Ideal Solution (TOPSIS). TOPSIS is a multi-criteria method for identifying solutions from a limited set of alternatives. The TOPSIS method is widely used because the concept is simple and easy to understand, the computation is efficient, and has the ability to measure the relative performance of decision alternatives in a simple mathematical form.[6].

CV. Mitra Karya Lestari is one of the companies engaged in the business of fishing and marketing of fish catches. Business activities include fishing business, as well as marketing of fish catches products. The company's main Product is Fresh Fish. In carrying out business activities, the company refers to the vision and mission of the company. The company's vision is to become a fishery company that has competitiveness and sustainable. While the company's mission is (1)Optimizing the management of fishery resources efficiently, effectively sustainable, (2)Improving supporting systems consisting of facilities and infrastructure, capital, technology and a conducive business climate, (3)Improving the quality of human resources and their empowerment. In an effort to maintain and improve performance, the Company always conducts routine evaluation activities, namely evaluation meetings to make strategies and innovations in preparing work plans in the next period. However, the measurement of the company's performance still refers to the analysis of financial statements (financial ratio) and this of course still does not reflect the company's overall vision and mission. Therefore, to be able to

know the actual performance of the company in accordance with the values embraced by the company, performance prism is used as a framework in measuring the company's performance.

